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UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF FOREIGN AGRICULTURAL RELATIONS

LATIN AMERICAN NEWS DIGEST

No. 443

June 5, 1942

ORGANIZATION OF INTER-AMERICAN INSTITUTE OF AGRICULTURAL SCIENCES approved by governing board of Pan American Union. Institute to have principal office in Washington, with supplementary offices in tropical America, and will be administered by governing board of Pan American Union. Site of Institute remains undetermined. (Washington Post)

ARGENTINA SUFFERING FROM SHORTAGE OF TINPLATE for meat-packing industry. No tinplate is now shipped from Britain owing to a government ban, leaving U.S. as only source of supply. Knowing vital need of feeding fighting forces of Britain and its own country with meat from Argentina to augment home-produced meat and mutton, it is thought that U.W. will endeavor to prevent any further restriction regarding shipment of tinplate to Argentina. (Christian Science Monitor)

ARGENTINE OIL OUTPUT INCREASES. Total production for first 4 months of 1942 amounts to 326,364,959 gallons compared with 295,617,871 in the same period last year. (N.Y. Herald Tribune)

ARGENTINE DECREE FIXES MAXIMUM PRICES FOR CERTAIN FRUITS "in protection of the consumer." Order is largely experimental in character and includes apples, pears, grapes, oranges and lemons. (Official Report from Buenos Aires)

BRAZILIAN COTTON CROP of 2,073,000 bales indicated for 1941-42 compared with 2,508,000 bales harvested last year. Reduced acreage and excessive rain cause a smaller crop in southern Brazil. Reduction in northern Brazil attributed to severe drought that has continued into current season and threatens to reduce 1942-43 crop. (N.Y. Journal of Commerce)

BRAZIL PLANS LARGEST CELLULOSE AND PAPER FACTORY in South America. Initial production will be at rate of 100 tons of wood pulp, 60 tons of bleached and 40 tons of unbleached chemical cellulose daily. Production of newsprint at rate of 160 tons daily is planned when turbines and other required electrical equipment can be obtained from U.S. (N.Y. Journal of Commerce)

COLOMBIA PROVIDES PLANTS FOR FERTILIZER MANUFACTURE and for the creation of a soil-conservation service and soil-analysis laboratories. Since Colombia has no satisfactory mineral deposits that might be utilized for the manufacture of fertilizers, it plans to establish one or two plants for the conversion of animal bones into fertilizer. About 20 metric tons of fertilizer can be manufactured from the bones of some 1,000 head of cattle slaughtered daily throughout the country. (Colombia, June 1942)

(Over)

MINING PROPERTIES IN COLOMBIA restored to South American Gold and Platinum Company by Colombia Supreme Court in ruling, establishing rights of private property, and overruling the Colombian Government in its seizure of properties located along the Telembi River which, for years, had been owned and operated under private management. Court holds that "administrative authorities have no jurisdictional power" to determine private property rights or to foreclose possessory actions to protect such rights, even when the title originally emanates from the State. A title obtained from the State is entitled to the same measure of protection as one obtained from private persons. (N.Y. Times)

CUBA EXTENDS GAS RATION to commerce, industry, agriculture and public transportation facilities in order to meet impending gas shortage. Deliveries to bus lines reduced 10 percent from normal consumption levels and taxis limited to 3 gallons daily. Deliveries for commercial, industrial and agricultural concerns, and for government cars cut 15 percent. (N.Y. Herald Tribune)

GUATEMALA REMOVES SUGAR CANE ACREAGE RESTRICTIONS, but excess over quota must be exported. Guatemala's transportation problem is expected to be solved by improvement of Mexican railway facilities which will relieve the country of dependence on sea transportation. (N.Y. Times)

MEXICO TENTH LATIN AMERICAN COUNTRY TO DECLARE WAR against the Axis. President Roosevelt expresses universal feeling in message to President Manuel Avila Camacho, declaring that "the people of the United States share with me the honor of welcoming Mexico to that community of nations united in fighting for the preservation of freedom and democracy." (N.Y. Times)

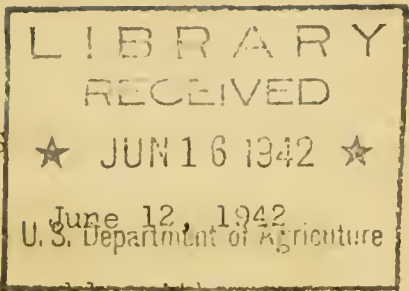
PERU PROHIBITS COTTONSEED EXPORTS in view of decreased production and in order to assure an adequate supply of seed for domestic crushing. While cottonseed oil is the country's only vegetable oil of importance, small quantities of olive, sesame, peanut, sunflower, and castor oil are produced in Peru. Experiments are also being made with linseed oil, but expansion of this industry is not anticipated, as flax is grown primarily for fiber. (Foreign Crops and Markets Summary for May)

ENTIRE VENEZUELAN OIL PRODUCTION allotted to allies, according to statement of Caracciolo Parra-Perez, Foreign Minister of Venezuela, in the U.S. on official mission. Venezuelan statesman accompanied by a delegation of 7 men, including Rodolfo Rojas, Minister of Agriculture. (N.Y. Herald Tribune)

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ARGENTINE CASEIN EXPORTS in first quarter of 1942 compare favorably with corresponding volume in same period of 1941. Butter shipments, however, are 45 percent lower than last year, and cheese exports to last March compare poorly with 1941. (Official Report from Buenos Aires)

ARGENTINA ACCUMULATES SUBSTANTIAL EXCHANGE BALANCES, both sterling and dollar, through transactions with other South American countries and transfer of Axis funds from New York to Buenos Aires. (N.Y. Times)

ARGENTINE GRAIN BOARD TO BUY 1941-42 CORN crop, subject to conditions designed to encourage diversification of country's agriculture. Guaranteed price to be 4.4 pesos per quintal (33 cents per bushel) delivered in Buenos Aires, compared with last year's price of 4.75 pesos per quintal (36 cents per bushel). Purchases from owners will vary with acreage under corn, and no purchases will be made from farmers having more than 1,236 acres in corn. Supplementary decree authorizes the Bank of the Nation to grant loans up to 50 centavos per quintal (3.8 cents per bushel) on corn produced by farmers who agree to use the money for the purchase of cattle, hogs and dairy farm equipment. Another allocates 100,000,000 pesos (\$29,800,000) to a "National Agrarian Council" which will advance loans to tenant farmers who agree not to grow wheat, corn, flaxseed and sunflower seed without permission of the Council, and to buy land in the corn belt for colonization purposes. (U.S.D.A. Press Release)

U.S. PURCHASE OF 25,000 TONS OF BOLIVIAN TIN concentrate through Metals Reserve Corporation expected to be announced soon. Purchase would amount to about half Bolivia's annual production of tin concentrates and would make possible processing at new Texas smelter of from 9,000 to 10,000 tons of fine tin, or approximately 10 percent of 1941 U.S. consumption. (N.Y. Journal of Commerce)

BOLIVIAN TRADE REACHES RECORD PROPORTIONS because of mineral exports, 98 percent of which consist of tin, tungsten and other metals. U.S. continues as Bolivia's leading supplier of imports, furnishing approximately 40 percent of the products. (N.Y. Journal of Commerce)

TRADE INCREASE NOTED IN BRAZIL during first three months of 1942, when U.S. took 62 percent of Brazil's exports and supplied 67 percent of country's imports. Cotton exports decline in volume and financial return, although average price shows improvement. (N.Y. Journal of Commerce)

BRAZIL EXPORTS EUROPEAN TYPE CHEESE to U.S. A Dutch company has transferred operations to Rio and is producing an Edam cheese that is dry with the texture of the true matured cheese and of fresh clean aroma but with less tang to the taste. (Brazil Magazine, May)

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CUBAN FRUIT AND VEGETABLE INDUSTRY facing slump, since growers are able to ship only about two-thirds of their customary exports to U.S. Bright spot in Cuban economic picture is mining, centered in Oriente Province, where thousands of men are working in manganese and other mines. (N.Y. Times)

92 PERCENT OF CUBAN TOBACCO EXPORTS sent to U.S. during first two months of 1942, when shipments were valued at \$1,709,194, compared with \$1,669,522 in corresponding period of 1941. (Semi-monthly Digest of Cuban Chamber of Commerce)

CUBA FREEZES PRICES OF FOOD AND CLOTHING to halt rising prices and to prevent inflation. The sweeping decree established control over wholesale and retail prices of all imported merchandise and placed a limit on profits. (Christian Science Monitor)

DEVELOPMENTS IN HONDURAS. President Tiburcio Carías Andine approves resolution which limits retailers' profits on imported merchandise to 20 percent. Action aimed at halting increasing prices. Newspapers advocating compulsory planting of food crops to assist in movement. Two experts from U.S.D.A. studying milk production, which is deficient in Honduras. Government has decreed daylight saving to economize on electric power. (N.Y. Times)

MEXICO INCREASING PRODUCTION OF GUAYULE RUBBER from wild shrub, according to report of Department of Agriculture representative in Mexico. (U.S.D.A. Press Release)

TRUCK BRINGS 14,000 MEXICAN PINEAPPLES to Philadelphia commission merchants who sponsored the 3,000-mile truck delivery because of difficulties in transportation from Cuba and Puerto Rico, normally the chief sources of fresh pineapples, and because shipments by rail from Mexico use railroad equipment needed in the war effort. (Washington Star)

MEXICAN SPICE PRODUCTION SMALL despite wide variety of soil and climatic condition which appear to make possible the production of nearly all spices, condiments, as well as medicinal and oil plants. Increased production seen possible over a period of time, but lacks of marketing system, technical knowledge, and seeds and planting material of types not already produced are handicaps. (Official Report from Mexico City).

NICARAGUA INCREASES SUGAR PRODUCTION. Official of largest sugar refinery and plantation in Nicaragua announces that production of sugar in 1942 will be 25 percent larger than in 1941. "Our aim," he says, "is to furnish Nicaragua with plenty of sugar at a low price and to export the balance to the U.S. in order to purchase bags, machinery and chemical supplies." President Somoza has requested sugar growers to increase their planting of cane, as well as of beans, rice, corn and plantains. (N.Y. Times)

VENEZUELA ENDS 1941 WITH BUDGET BALANCE, reporting surplus of about \$2,000,000, which will be used for federal government's four-year, 500,000-bolivar public works plan. (N.Y. Times)

VENEZUELA TO MANUFACTURE TIRES for Trinidad and for Colombia and other Latin American countries, and at the same time get raw materials for own use. (N.Y. Times)

SOME VENEZUELAN OIL WELLS SEALED and several hundred laborers in Maracaibo area laid off because shortage of tanker space limits shipment of oil. (N.Y. Times)

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LATIN AMERICAN NEWS DIGEST

No. 445

June 19, 1942

GERMANY REPORTED READY TO BLOCKADE ATLANTIC SEABOARD of North and South America in effort to force Argentina and other neutral American nations to enter the war or give material assistance to the Axis. Foreign Minister Enrique Ruiz Guinza's private reaction to report was that it would be "regrettable" if the Nazi move were to interrupt Argentine trade with the U.S., which is the main prop for Argentina's economy. He has been largely responsible for Argentine neutrality, insisting that it is the only way in which economic stability can be maintained. (N.Y. Herald Tribune)

NATIONAL CONFECTIONERS' ASSOCIATION BACKS HEMISPHERE TRADE, declaring that interrupted flow of products is necessary for the welfare of the various producing republics as well as for the confectionery industry. Confectioners are heavy users of nuts, sugar, fruits and other raw materials produced in Middle and South America. (N.Y. Journal of Commerce)

REMOVAL OF EMBARGO ON ARGENTINE BEEF urged by National Industrial Conference Board as means of eliminating potent propaganda element used by Axis and to bring greater war time collaboration in matter of supplies between the two countries. Board cautions Washington to take cognizance of Latin American jealousies in its dealings, remarking that "with an armament loan of 17 million dollars furnished by the U.S., Uruguay is constructing a huge naval air base which will command the trade route to the Rio de la Plata." (Christian Science Monitor)

ARGENTINE EXPORT TONNAGE DECLINES 14 PERCENT for first five months of current season compared with same period last year. While tonnage was lowest recorded for same period in any year within past decade, value of exports was third highest in 10 years, being exceeded only in 1937 and 1940. (N.Y. Journal of Commerce)

AMERICAN FUNDS AID BRAZIL in industrial and aviation expansion. Financial aid includes \$25,000,000 for national steel mill near Rio, \$15,000,000 for the Victoria and Minas Railway improvements which will rush manganese and iron ore to the sea, \$5,000,000 and subsidies as a start on development of Amazon rubber production, more than \$100,000,000 for purchases of military and aviation equipment, millions for air bases, naval bases, harbor. (N.Y. Times)

BRAZIL'S TRADE WITH WESTERN NATIONS RISING. United States is uncontested leading buyer, taking more than \$42,000,000, representing 65 percent of total Brazilian exports during first 2 months of 1942. Transportation is drawback to further expansion of trade in this hemisphere. One of principal concerns of Brazilian government is the development of overland trade routes to replace present sea routes. Recent visit of President of Brazilian Commercial Association to purchase barges for transportation between Peru and Brazil believed to be first step toward remedying situation. (N.Y. Herald Tribune)

(Over)

DEVELOPMENT OF CHILEAN STEEL INDUSTRY warrants U.S. help, says Senator Eduardo Cruz-Coke in interview at Santiago, pointing out that this would enable Chile to supply Argentina, Bolivia, Peru and other South American countries with steel products. Declares Chile will sever relations with Axis sooner than most persons believe. (N.Y. Times)

COSTA RICA SELLS ALL SURPLUS RUBBER TO U.S. under agreement reached by Rubber Reserve Company, State Department and Board of Economic Warfare. Similar agreements had already been reached with Brazil, Nicaragua and Peru. (N.Y. Times)

SUGAR PRODUCTION IN DOMINICAN REPUBLIC during 1941-42 crop season estimated at 480,000 long tons, compared with 394,000 tons in previous season, an increase of 21.8 percent. (N.Y. Journal of Commerce)

PLAN FOR ABACA PRODUCTION IN HONDURAS reported by Tegucigalpa newspaper, which says United Fruit Company will begin clearing more than 1,000 acres of land in Guayamas district for planting the fiber. (N.Y. Times)

MEXICO BEGINS SEIZURE OF AXIS BUSINESSES under decree which permits President to annul all sales of German, Italian or Japanese property since December 6 and to order the discharge of any employee of such firms for reasons of national security. Stores, banks and industries are affected by the decree. Included in the first seizures were Casa Bayer, German drug firm; Banco Germánico de América del Sur, a principal German bank; Merck Mexico, another drug firm; a hardware store, a dye company, 30 German coffee plantations, and a Japanese coffee plantation. (N.Y. Journal of Commerce)

YARN SUPPLIES AMPLE FOR MEXICAN MILLS, says Licenciado Francisco Javier Gaxiola, Minister of National Economy. With arrangement by American Government for rayon producers to set aside 4 percent of their product for export, enough of this fiber will soon be available for all textile mills in Mexico. (N.Y. Journal of Commerce)

MEXICO ANNOUNCES ROAD BUILDING PROGRAM to be undertaken with U.S. financial aid in order to facilitate raw material shipments for war production. Recent Mexico City despatch says program will be financed by \$30,000,000 U.S. loan plus several million dollars which Mexico will receive from the new lend-lease agreement. (Export Trade and Shipper, June 15)

NEW STEEL FACTORY TO BE BUILT IN MEXICO. Mill, partly financed by the United States, will supply Mexico with approximately 70,000 tons of steel and tin plating, according to announcement. New company already has made tentative arrangements with labor organizations regarding wages. Part of the machinery, which is being purchased from the United States, has arrived at Coahuila and the laying of the foundations for plant buildings will begin within short time. (N.Y. Times)

PANAMA BANKS REDUCE INTEREST RATE on savings deposits because of surplus money in the republic. Money situation is reflection of improved conditions in Panama resulting from war work in Canal Zone. (Export Trade and Shipper)

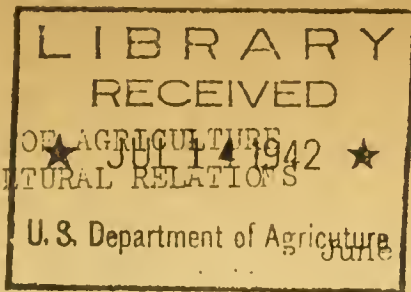
PERUVIAN COTTON PURCHASED BY U.S. under recent agreement will not be imported but will be held in Peru for later export sale to other countries, according to present plans of Commodity Credit Corporation. CCC officials point out that purchases under agreement are limited to 200,000 bales a year. U.S.D.A. cotton specialists return from Peru after agreeing with Peruvian officials on basic purchase price of 10.69¢ per pound for "tanguis 5," which corresponds closely in grade to U.S. middling cotton. (N.Y. Journal of Commerce)

URUGUAYAN WOOL EXPORTS SMALLEST ON RECORD. During last 20 years exports between October and May have averaged 96,550,000 greasy shorn pounds, while exports in the same months of the current season totaled only 45,842,000 pounds. About 35,000,000 pounds were exported to the United States. (N.Y. Journal of Commerce)

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LATIN AMERICAN NEWS DIGEST

i.e. 446

June 26, 1942

U.S. LOANS FOR LATIN AMERICAN BOND REPATRIATION under consideration, New York banking circles report. Plans, being worked out in Treasury and Commerce Departments, would permit Latin American countries to liquidate indebtedness, now mostly in default, so that at end of war they will have stronger credit standings and ample supplies of cash, thus providing better market for products of U.S. (N.Y. Journal of Commerce)

U-BOAT MENACE HITS TRADE OF LATIN AMERICA. Withdrawal of boats expected despite diplomatic reasons for maintaining Latin American-United States trade at highest possible level. Cuts in Latin American exports to U.S. may have to be met by new American assistance loans. War has struck hard at economies of smaller nations and further declines in their shipment of bananas, sugar and coffee might have disastrous effect upon millions of persons already living at bare subsistence levels. (Christian Science Monitor)

ARGENTINA EXPANDS TRADE WITH OTHER REPUBLICS. Trade with Bolivia, Brazil, Colombia, Chile, Paraguay, Peru, Uruguay and Venezuela shows material increase in first four months this year, compared with corresponding period of 1941. (N.Y. Journal of Commerce)

ARGENTINA WILL PARTICIPATE IN FINANCIAL CONFERENCE called by the Inter-American Financial and Economic Advisory Committee to discuss hemisphere financial and economic procedure as recommended by the Rio de Janeiro Conference. Conference will commence on June 30. (N.Y. Journal of Commerce)

ARGENTINE SHIPS BOYCOTT U.S. COAST as result of blockade announced by Germany. Wool shipments expected to be affected. (N.Y. Journal of Commerce)

BOLIVIAN TIN PRICE FIXED BY OPA. Tin produced by electrolytic process will command a ceiling price equal to that of top grade tin, according to OPA ruling in a revision of pig tin price ceiling order. (Christian Science Monitor)

BRAZIL FACES PETROLEUM SHORTAGE, plans to purchase U.S. built ships for hauling Peruvian petroleum from Pucallpa down the Amazon River, 2,000 miles to the sea at Belén. There the oil will be transhipped to tankers and sent southward to São Paulo and Rio Grande for refining. Peru has promised to furnish 60,000 tons yearly at the start and increase this supply to 200,000 tons when more barges are available. (N.Y. Journal of Commerce)

BRAZIL WILL MANUFACTURE PLANTS, according to statement from Brazilian Embassy and Richard S. Boutelle, of the Fairchild Engine and Airplane Corporation, Hagerstown, Md. Manufacture of the trainers for the Brazilian air force will replace production of the German type of planes. (N.Y. Journal of Commerce)

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CHILE EXPECTS SPURT IN SEA TRADE as result of Germany's announcement that she intends to blockade eastern coasts of U.S. and Canada. Chilean press urges Argentine Government to complete railroad connection linking Chilean port of Antofagasta with Northern Argentine provinces, facilitating a new outlet for Argentine goods which could be picked up by ships plying northward. (N.Y. Times)

COSTA RICA PLANS ROAD from frontier of Panama to frontier of Nicaragua. Project which is separate from Pan American Highway, to be undertaken for strategic reasons to be used in event of complete or partial blockade of the Panama Canal for transporting food supplies from Central American countries to the Canal Zone. (N.Y. Times)

COSTA RICA TO SELL RUBBER TO U.S. at 30 cents a pound under newly signed contract. (N.Y. Times)

DOMINICAN REPUBLIC TO HAVE RICE COMPTROLLER, replacing Rice Institute, which formerly administered industry. Comptroller will be appointed directly by the President of the Republic and will operate under the supervision of the Department of the Presidency. The old Rice Institute functioned under the supervision of the Treasury Department and was composed of 7 members. The new Comptroller has authority over the internal consumption and exportation of rice. The cultivation and preparation of rice will be under the authority and supervision of the Department of Agriculture. (Official Report from Ciudad Trujillo)

FISH OIL FACTORY BEING ARRANGED BY MEXICAN INTERESTS headed by former President Abelardo L. Rodríguez. Factory is to be aboard a barque which will ply in fishing fields off Lower California. While catering primarily to Mexican markets, this business contemplates exporting a range of its products to the United States. (N.Y. Journal of Commerce)

MEXICO SEEKS TO CONTROL LIVING COST INCREASE by measures to deal with problems of artificial scarcities, inflationary prices and speculation in basic consumer goods. Banking decrees also enacted to channel investment into productive rather than speculative fields. Magazine "Tiempo" estimates that Mexican cost of living has risen 82 percent since May 1941. (Christian Science Monitor)

PARAGUAYAN DECREE FIXES PRICE FOR JUTE to encourage growing of this fiber. Banco Agrícola authorized to purchase at 30 pesos a kilogram all jute fiber produced in the country which is not purchased by private individuals or firms. (Official Report from Asunción.)

VENEZUELA SPEEDS IRON MINE PROGRAM. The Iron Mines Company has completed the first year of a five-year program to prepare for exploitation the iron deposits in the State of Bolívar on the south side of the Orinoco River. Company has finished a portion of the 48-kilometer main road; right-of-way has been cleared for a road and railroad; and a 120-acre airport has been completed by the company under government supervision. (N.Y. Times)